

SPECIAL NOTICE

February 11, 2002

For further information contact:
Telephone Information Center
1-800-647-7706 or (360) 486-2345

Alternate Formats (360) 486-2342
Teletype 1-800-451-7985

Sales and Use Tax Exemption for Light and Power Businesses

Do you own a thermal electric peaking plant? A **thermal electric peaking plant** means a natural gas-fired thermal electric generating facility operated by a light and power business that was placed into service between January 1, 1978, and December 31, 1984, and is registered pursuant to RCW 70.94.151 (classification of air contaminant sources) for the calendar year 2000.

Do you plan to install air pollution control facilities? **Air pollution control facilities** include any treatment works, control devices and disposal systems, machinery, equipment, structures, and property including any parts or accessories installed or acquired for the primary purpose of reducing, controlling, or disposing of industrial waste which if released to the outdoor atmosphere could cause air pollution. It does not include any motor vehicle air pollution control devices used to control the emission of air contaminants from a motor vehicle.

Engrossed House Bill (EHB) 2247 Chapter 214, Laws of 2001 provides a sales and use tax exemption to light and power businesses for the acquisition and installation of up to two air pollution control facilities. The installation of the air pollution control facilities must have begun after January 1, 2001. However, the exemption is available only for expenditures made after May 8, 2001. This exemption expires on June 30, 2003.

The exemption applies only to the acquisition or installation of qualifying facilities. Thus, the exemption does not extend to servicing, maintenance, operation, or repairs to qualifying facilities. The air pollution control facility must be installed or acquired for a "thermal electric peaking plant" with a capacity of less than 100 megawatts that is approved pursuant to the Washington Clean Air Act.

To receive the sales/use tax exemption, qualifying businesses must submit a written request to the Department of Revenue. Such requests must include approval of the proposed air pollution control facilities issued by the Department of Ecology pursuant to Chapter 70.94 RCW. Upon confirmation of eligibility, the Department will issue a sales and use tax exemption certificate to the business.

Please send your completed requests to:

Washington Department of Revenue
Taxpayer Account Administration
Attn: Tax Assessment Team
PO Box 47476
Olympia, WA 98504-7476

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.

